

**MINUTES OF REGULAR MEETING OF  
THE REDEVELOPMENT COMMISSION OF GREENSBORO  
TUESDAY, FEBRUARY 21, 2006**

**REGULAR MEETING**

The Redevelopment Commission of Greensboro met in regular meeting in the Plaza Level Conference Room, Melvin Municipal Building, on Tuesday, February 21, 2006 at 5:13 p.m. Commissioners present were: Chair Joe Wood, Bill Benjamin, Nettie Coad and Jerry Leimenstoll. Dan Curry, Barbara Harris and Dyan Arkin represented the Housing and Community Development Department (HCD). Jim Blackwood, Esq., was present as legal counsel for the Commission.

**1. APPROVAL OF THE MINUTES OF JANUARY 17, 2006 ANNUAL MEETING.**

Mr. Leimenstoll moved approval of the January 17, 2006 minutes, seconded by Ms. Coad.

Chair Wood said he wished to make a change in the minutes even though he was not present. In the last paragraph on 326 and 328 East Lee Street, it says, "The Commission voted 3-0-1 in favor of the motion. (Ayes: Benjamin, Coad, Leimenstoll. Nays: None." He said the vote should have read 2-0-1 in favor of the motion. (Ayes: Coad, Leimenstoll. Nays: None. Abstain: Benjamin.

The Commission voted 3-0-1 in favor of the minutes as amended. (Ayes: Benjamin, Coad, Leimenstoll. Nays: None. Abstain: Wood.)

**2. OLE ASHEBORO NEIGHBORHOOD. UPDATE ON 326 AND 328 EAST LEE STREET.**

Chair Wood asked Mr. Curry if this was to be an informational type update as he did not see Mr. Defreitas here.

Mr. Curry said he could give his part of the information, unless the Commission chose to act.

Mr. Benjamin said he would abstain from consideration or voting on this matter, but he was acting as courier. Lisa Johnson-Tompkins cannot be here tonight. He had suggested to Ms. Johnson-Tompkins that she communicate to the Commission where things are. So she prepared something that he brought over here for the Commission to have. If the gentleman does not show up, it may be helpful in helping you decide what you want to do.

Mr. Curry said staff had been attempting to obtain what he may have just been handed, he did not know for sure. Staff contacted Mr. Defreitas after your last meeting to remind him of the information that we were looking for in terms of a construction contract or the intent to meet with their contractor to discuss this project. Not receiving the information, on January 30, staff sent a certified letter to them and their attorney. They received no response from that either. Staff started making phone calls last week and he spoke with Mrs. Defreitas on Friday. She indicated she would have Mr. Defreitas get in touch. Mr. Curry finally was able to contact Mr. Defreitas this morning. He gave Mr. Curry the name of a contractor to contact, which is not, to staff's belief, this contractor (in Ms. Johnson-Tompkins' letter). At least, he gave Mr. Curry a different name.

As of this morning, Mr. Defreitas indicated an A.L. Williams was his contractor. He tried to call Mr. Williams and his phone was not accepting messages so he was not able to contact Mr. Williams today. He is familiar with S&J Construction and that is a different contractor so he really did not know what is happening here in terms of this proposal and what he heard earlier today. He did go to by the house

today and it does not look as though there has been much additional work.

Mr. Leimenstoll asked Mr. Curry if this package provided any new information that would enable staff to reach a conclusion about the validity of this proposal.

Mr. Curry said the work list looks relatively similar to the work list that Mr. Defreitas handed out last month. The work list looks to be more comprehensive. Staff would be interested in information regarding specifications of this work and the overall cost of it looks a little on the low side compared to what staff would expect for a house in this condition.

Chair Wood moved that the Commission require that Mr. Clarence Defreitas have a contract signed by March 1, 2006; that that contractor be made known to the staff of the Commission; that there be a complete work listing in the hand of the staff by March 7, 2005 containing a complete scope of all the work, which is two weeks prior to the date of the Commission's next meeting. Staff will have two weeks to review everything and make any changes. Mr. Defreitas shall appear at the March 21, 2006 meeting with his attorney to provide an update. If this schedule is not followed, Chair wood moved that at that time the Commission initiate formal condemnation proceedings on the property known as 326 and 328 East Lee Street. Mr. Leimenstoll seconded the motion.

Mr. Leimenstoll said that he was not sure that it was necessary that Mr. Defreitas or anybody representing Mr. Defreitas be at our meeting next time. He did not think that needed to be a requirement. What we are asking is that the matter be resolved so that we can make a decision about condemnation at our next meeting. He was not sure that it was productive to make it a requirement.

Chair Wood amended his motion so that the third part will be, and that Mr. Defreitas and his attorney be made aware that if these requirements are not met, then on that date the Commission will enter initiate condemnation proceedings.

Ms. Coad said she guessed she could agree with it. He has indicated to us that he has the resources, people backing him to do what he needed to do.

Chair Wood asked what was the dollar figure that he gave us that the man was willing to finance for him.

Ms. Harris said it was \$65,000.

(Chair Wood continued his revision of his motion.) And to demonstrate to staff, as part of the package, that he has the financial resources to complete the project.

After a recommendation from Counsel Blackwood, Chair Wood further amended his motion to state that the full signed contract and specifications shall be delivered to staff no later than March 7, 2006, thereby giving staff two weeks to review the material submitted and get any additional information needed by staff.

Chair Wood asked staff to send a certified letter to Mr. Defreitas and Ms. Johnson-Tompkins stating this is what we want from you by March 7, 2006. Everything shall be in place and state consequences.

Mr. Curry said that would be prepared and delivered tomorrow by certified mail, fax and every other means that we have available.

Mr. Leimenstoll seconded the amendments to the original motion. The Commission voted 3-0-1 in favor of the amended motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None. Abstain: Benjamin.)

### **3. GORRELL STREET NEIGHBORHOOD:**

#### **A. REQUEST FROM BREAD OF LIFE CHURCH TO SELL 628 WATSON STREET.**

Ms. Harris said Pastor Aubrey Howard was here last month with a request to sell the parcel at 628 Watson Street to Everett Bruce who is here this evening. In 1997, the Commission approved the sale of this lot to Bread of Life for use for church purposes. The lot measures 20 feet across the front and is 100 feet deep. The church is relocating and is selling the church building. They want to sell this lot to Everett Bruce who also owns the adjoining lots that face out onto Lee Street (611 and 613 Lee). Mr. Bruce states he wants to build a personal residence on all of these lots combined.

Counsel Blackwood said he had sent Ms. Harris minutes he had in his files from 1997 basically saying that the initial appraisal was \$1,500 or so, but the basic concept in those minutes was the church was interested in it at that time to use for parking or other church purposes, but the minutes, if he recalled correctly, basically said if the church did not want to buy it, then to see if any of the adjacent neighbors then wanted to buy it. He had a feeling that because of that statement that it was a situation where it was not buildable by itself. We ended up selling that lot to the church for \$1,000 under a purchase contract that basically said it was to be used for church purposes and there were restrictions on the deed. The Commission has the authority to look at it, determine whether or not anything should be reconsidered about the price or the gain on it. The Commission does have the authority to waive restrictions.

Ms. Coad gave a full description of how this property had become church property in the first place. In summary, when this property was sold to the church, the neighborhood wanted to see decent housing built.

Mr. Benjamin said, from the Commission's standpoint, he did not think this an improper use of the property.

Pastor Aubrey Howard, 1505 18th Street, said they are selling the church building, the small lot that they are trying to sell to Mr. Bruce on the left and the parking lot to the right. The tax value is \$119,000. They had it for sale at \$109,000, but they have dropped it down to \$90,000. They are no longer there and they have combined with another church and become one church. Therefore, they will no longer need this property because the other church had a better facility than this one.

Ms. Coad asked about the zoning for this property, wondering if it could be converted to residential.

Ms. Harris pointed out the three properties on the map.

Mr. Benjamin discussed ways the restrictions could be removed in a way that would be to the benefit of the taxpayers. Is there anything the Commission wanted to require of Mr. Bruce when he comes back and builds on that lot?

Everett Bruce, 3318 Darden Road, said he already owned 611 and 613 East Lee Street. These properties are beside 628 Watson Street. It would only be a matter of tearing down the old rental house and building a new home in which he would live. He now has a tenant in the rental house. He has no timeline for building his home. When his tenant decides to move, he will then tear down the old rental house and build another residence there.

There was a general discussion regarding removing restrictions on the property and/or adding restrictions, if sold. Also there was some discussion about the church being sold and to whom it would be sold.

Mr. Benjamin moved that the Commission agree to remove the restriction upon the payment of \$100 to

the Redevelopment Commission and the placing of a new restriction in the transaction that would limit the property's use to single family dwellings. Mr. Leimenstoll seconded the motion.

Mr. Leimenstoll said he had only one observation. He thought he heard an incident price. He asked if the Commission's attorney inform us that when the transaction took place in 1997, the original price was \$1,500.

Chair Wood said that was the appraised price; it sold for \$1,000.

Counsel Blackwood said it was sold by negotiated sale subject to an upset bid. The price was changed, according to his reading of the minutes, because nobody would offer \$1,500 for the property. The church offered \$1,000 and the minutes indicated the Commission approved selling it for \$1,000.

There being no further discussion, the Commission voted unanimously 4-0 in favor of the motion. (Ayes: Wood, Benjamin, Coad, Leimenstoll. Nays: None.)

**B. UPDATE FROM BENNETT COLLEGE ON PROPERTY KNOWN AS 609 GORRELL STREET.**

Ms. Harris said back in August, the Commission authorized the sale of this property to Bennett College with a six-month update in February. Mr. Washburn, who is Andrena Coleman's replacement at Bennett, is present. He has provided a preliminary project schedule and a site map. Bennett has not yet completed its building plans.

The project schedule presented by Bennett shows February 28 as the College's projected date for completing the purchase. However, the purchase is contingent upon approval by this Commission of the building plans and construction schedule and seeing that the financing is in place. The property has not been conveyed and cannot be until the Commission has addressed those items.

Jim Washburn, 4907 Brian Hollars Court, High Point, said Bennett College underwent some reorganization and one of the things that he assumed was the auxiliary enterprise and the various things that Ms. Coleman had been responsible for prior to her departure. He was originally hired as Vice President for Physical Affairs and his title changed to Vice President for Business and Finance. He has been at Bennett College since July 11, 2005. He updated the Commission on the use of this property for a classroom building for which the original occupant will be the Middle College, a program to which Bennett College is very committed. He presented a proposed schedule targeting occupancy in January 2007. The funding for this project has been acquired and will come in in phases. The facility will be from 9,000 to 11,000 square feet and they have started on the building plans. They engaged the services of Teague and Freyaldenhoven, architects. There was a question about a monitoring well on the property. They engaged the services of ECS in order to go out and do a final review for that. Based upon their recommendation, he had spoken with Ms. Harris and requested that that particular well be closed. They anticipate having building plans within three weeks and should be able to bring those back to this group on March 21st.

Ms. Harris said the Commission could authorize staff to review the plans.

Chair Wood suggested that Mr. Leimenstoll be designated to work with staff to do any plan review and approval necessary.

Mr. Curry said staff had not had time to review the site plan since it had just come in today. Based on what he saw of the College's schedule, they need feedback on the site plan quickly if they are to meet the schedule they are on right now. Staff would like a few days to look at the plan and then staff will get with Mr. Leimenstoll probably fairly quickly and look at the site plan issues and see if we can give the College any feedback on that before they get their building plans ready.

Chair Wood moved that the Commission approve the project schedule for Bennett College and ask that staff and Commission's designated representative, Jerry Leimenstoll, review and approve the site plan and other construction documents and once these documents have been approved the Commission convey the property to the College. Ms. Coad seconded the motion. The Commission voted 3-0-1 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None. Abstain: Benjamin due to conflict.)

**4. SOUTH ELM STREET; AUTHORIZATION TO MAKE AN OFFER FOR VOLUNTARY ACQUISITION OF NORTH STATE MILL PROPERTY (800, 812, 816, 816 Near & 820 S. Elm).**

Ms. Harris said this item was on the agenda last month and staff pulled it because the initial appraisal included information from the 2002 environmental work and did not include the 2005 environmental work. The appraisal was returned to the appraiser for an addendum with the current environmental information. It had no affect on the appraiser's valuation of the property. The property appraised at \$100,000 and that is actually land value. The appraiser found the building to be functionally obsolete and gave it no value. In conversation with the owner, he indicated he had a number in mind. She thought he would be here this evening to share that with the Commission, but he is not here.

Mr. Curry said staff did have a major South Elm Workshop last week to invite the community in to look at the overall plans for the project. During that session, someone approached Andy Scott, Director of HCD, and indicated to him that they had, in fact, submitted an offer to the owner of this property and that offer had been accepted in an amount higher than this appraised value. Staff has nothing in writing about that. They had expected the folks to be here today as well to address that issue. Since they are not, staff really cannot give the Commission any other details about that situation. This is a voluntary acquisition.

There was lengthy discussion about the voluntary acquisition process.

Chair Wood asked how can the appraiser say that this is worth half as much as the property we purchased last month when it is larger than that property and it is adjacent to the property we purchased last month.

Mr. Curry said he thought that was a location issue. The fact that the property last month was on the street, which has about 25,000 cars a day passing, has a significant impact on the value of the property, particularly for business.

Chair Wood asked how many more voluntary acquisitions were there in the next 60 days when we actually start thinking about the Redevelopment Plan and having condemnation power.

Mr. Curry said nobody had come to staff and said they were ready for the Commission to buy their property, what they have done is indicated they are willing for us to move to the step of making an offer. That is all they have said, indicating a willingness to sell.

Mr. Benjamin said he would have a comment to make after this. He moved that the Commission make its offer to purchase this in a voluntary transaction at the appraised value net of the amount that was estimated (here he said he had a little trouble, the question being environmental). They said \$130,000 and \$100,000, but if we say we offer the \$100,000, which says we are taking on the environmental risks, he would like to have similar language to what we had before in the last one where we said we were taking on those risks identified without taking on any that we have not identified.

Chair Wood moved to table this again until we have a firm dollar figure in hand from what the owner wants to counteroffer and know what has happened because it is a pointless gesture to offer the gentleman \$100,000 and he may have already accepted an offer that is higher.

Chair Wood withdrew his motion since he said it was out of order.

Mr. Benjamin said he just wanted to get it on the table and get it started and find out if there was too much of a gap so we can go forward. However, he thought the offer of \$100,000 in which we assume liabilities, which has a value, and we assume those liabilities for environmental issues, he thought they had the appraisal and if the gentleman wants to come back with another appraisal, he thought that was something to evaluate at that time. Ms. Coad said she would second the motion.

Chair Wood said it was a waste of the Commission's time. The gentleman is not going to accept the appraised value. We already know what his minimum counteroffer is and it may be a moot point because he may have entered into a contract to sell it to somebody else. Then why are we even bothering with it. He said he thought the Commission should vote this motion down and just table this until we have some solid information.

Mr. Benjamin asked Counsel Blackwood for a point of clarification. In the event we were to see that happen that happen and obviously something that transfers on public record has a value to assign with deed stamps. Does that bind us or if we go in and condemn, what date would we use for condemnation? Would we be going back to this date or when the plan is approved?

Counsel Blackwood said for purposes of determining value, the actual petition date for filing Eminent Domain action is the day you value. Obviously nobody has an updated appraisal on that particular date, but your appraiser will normally say that I appraised it in January and you filed in May and the value has not changed. The fact that a price was paid earlier, assuming it is arm's length, certainly he would be using that as evidence of what is fair market value. It is fair market value at the time of the date that you institute the action. There was a transfer, but it was not necessarily arm's length, but that is a matter that has occurred before of trying to document that something was worth more than that it really was. Fortunately through discovery, it will determine whether that is the case.

Mr. Benjamin said the effect of the Commission's project is not going to be considered for the purposes of valuation, I assume.

Counsel Blackwood said that was right. The appraiser is not supposed to use depressed value because you are going into a Redevelopment Area just like really you would not necessarily use it to enhance value.

After further lengthy discussion Mr. Leimenstoll called the question.

Chair Wood said all in favor of Mr. Benjamin's motion to offer the appraised value of \$100,000 for this property signify by saying , "Aye." The Commission voted 3-1 in favor of the motion. (Ayes: Benjamin, Coad, Leimenstoll. Nays: Wood.)

## **7. ADDITIONAL BUSINESS**

Chair Wood said he would skip ahead for additional business. The Commission needs to schedule a retreat and get an update on all the properties, just like we did before. He asked if the Commission could schedule the retreat for the same day as the regular meeting. Staff will send out an e-mail to see if all Commissioners are available on March 21<sup>st</sup>.

Mr. Benjamin left the meeting at 6:50 p.m.

## **5. ARLINGTON PARK NEIGHBORHOOD:**

**A. ACQUISITION OF 1220 RANDOLPH AVENUE.**

Ms. Harris said 1220 Randolph Avenue, targeted for acquisition in the Arlington Park Redevelopment Plan, is a 2,751 square feet, two-story structure that has been converted into a boarding house with an apartment on the rear. The appraisal values this property at \$90,000 and appraisal reviewer recommends acceptance of the appraisal. The Commission is asked to set an offer price for this property.

Ms. Coad moved that staff is authorized to offer the appraised value of \$90,000 for 1220 Randolph Avenue, seconded by Mr. Leimenstoll.

Frankie Brown, 5651 Old Randleman Road, said her main question is concerning a mortgage on the house. She asked if the Commission would pay off the mortgage. It is approximately \$39,000.

Ms. Harris told Ms. Brown that she would have to use the proceeds from the sale to pay off the mortgage.

Counsel Blackwood said the property had to be free and clear of liens and in order to make that occur the mortgage would be paid off at closing when the Commission purchases the property.

Ms. Brown asked if the Commission could offer her any more in order to compensate her a little bit more for the loan. Her husband was recently killed in an auto accident and this is her sole income. The property was bringing her about \$1,400 a month now.

Mr. Leimenstoll advised Ms. Brown that she had every right to make a counteroffer to the Commission. The Commission is making a proposal to her based on the appraisal that you received. You are not obligated to accept it at this point. You have every right to consider and make a counteroffer to us.

Ms. Coad stated that in order for the Commission to make a higher offer, Ms. Brown would have to obtain an appraisal that shows a higher value for the property. Then she could come back with her appraisal, which the Commission would consider.

Ms. Brown said she would just as soon go ahead and get it settled. She does not have more time to spend on this since she had too many houses that she was trying to fix up.

Chair Wood called the question. The Commission voted unanimously 4-0 in favor of the motion. (Ayes: Wood, Benjamin, Coad, Leimenstoll. Nays: None.)

**B. VOLUNTARY ACQUISITION OF 1600 MARTIN LUTHER KING, JR. DRIVE.**

Ms. Harris said this property is located next door to 1602 Martin Luther King, Jr. Drive that was sold by the Commission to GHPD. GHPD has renovated 1602 Martin Luther King and the property has been offered for sale since August 2005. The condition of 1600 Martin Luther King, Jr. Drive has had a detrimental effect on the sale of 1602 Martin Luther King, Jr. Drive. Staff has attempted to come up with a means of assisting the owners of 1600 Martin Luther King, Jr. Drive through the City's rehabilitation program with no success. The final alternative to complete rehabilitation of this block is the voluntary purchase of this property. This is a two-story structure with approximately 2,345 square feet, which has been converted into a rooming house. The appraiser estimates the value of this property at \$60,000 and the review appraiser recommends acceptance of the appraisal. The Commission is asked to set an offer price for this property.

Ms. Coad moved that staff be authorized to offer the appraised value of \$60,000 for 1600 Martin Luther King, Jr. Drive, seconded by Mr. Leimenstoll. The Commission voted unanimously 4-0 in favor of the

motion. (Ayes: Wood, Benjamin, Coad, Leimenstoll. Nays: None.)

## **6. LOCAL ORDINANCE ENFORCEMENT UPDATE.**

Ms. Harris said staff had an update of the list that the Commission put together and the list that we received as an update from Dan Reynolds.

Ms. Coad said that her neighborhood had several houses to be added since they were not on the original list.

## **7. ADDITIONAL BUSINESS (continued)**

Chair Wood said he had asked Ms. Harris if the budget process was underway and she said it is. Since Mr. Curry is the go-to guy for the budget, he would like to know just some preliminary figures of what we are looking for. Are there dollars included for Ole Asheboro in the next budget?

Mr. Curry said the operating budget for Ole Asheboro for next year is in the neighborhood of \$500,000, which includes money that we currently have plus the new money for next year. That money is to go to a number of things, including assisting with the infrastructure development work for the MLK North new development as well as staff is projecting they could purchase maybe two to three houses hopefully over the next year. So that is money that would be in the budget for next year.

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There being no further business before the Commission, the meeting adjourned at 7:10 p.m.

Respectfully submitted,

Dan Curry, Assistant Secretary  
Greensboro Redevelopment Commission

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